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Selling the Total Spa Product

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Introduction

Retail sales can contribute significantly to a spa's revenue, however, many spas do not realise their full retail potential. This chapter presents strategies to maximise retail sales, including: brand selection, brand ambassadors, incentives, training, retail design and visual merchandising to provide a tool kit for success. Consideration is also given to the importance of integrating retail throughout the entire customer journey. A case study is presented at the end of the chapter to encourage the application of knowledge.

Selling experiences is seen as the principal function of a spa (Wuttle and Cohen, 2008), nevertheless, retail and other sales such as up-selling and link selling can all make significant contributions to a spa's revenue. In exploring approaches to selling, the benefits of, and barriers to, selling are presented as well as strategies to maximise sales. The chapter is therefore essentially a more practically based one, but needs to be read in conjunction with the chapters on consumer behaviour, guest service and journey and marketing spas.

Approaches to selling

As spas are synonymous with both pampering and healing (Deswal, 2014), they present a dichotomy when considering the appropriate approach to sales. With many spa consumers citing relaxation and rest as motivators for their spa visits (Monteson and Singer, 2004, cited in Lo and Wu, 2014), a key factor for spas to take into consideration, when deciding which approach to adopt, is the importance of balancing selling with the need to relax and escape (Tabacchi, 2010). Contrasting consumer motivations such as pampering and indulgence could be viewed as more conducive to a sales environment. Moreover, understanding the behaviours

of individual consumers is the ultimate goal of suppliers of products and service (Lo and Wu, 2014), thus, adopting sales approaches allied to those behaviours is a key challenge for spas.

Depending on the individual spa's approach, selling can be placed high on the agenda or seen in a supporting role. Differing approaches towards sales are evident in the culture and ethos of a spa and are generally born out of the spa's vision and philosophy. Moreover, various types of spa may take differing approaches to sales. Consider the ISPA (2013) typologies of spa: club, cruise, day, destination, medical, mineral spring and hotel spas; each may place a different emphasis on sales. Spas that place sales high on their agenda set exacting targets for individuals, teams or both and attainment of those targets are closely monitored, in contrast, some spas with a more relaxed approach choose not to set any sales targets.

Benefits of selling

The benefits of successful sales can be viewed on three levels, benefits for the organisation, benefits for spa professionals and benefits for the spa guest.

■ Benefits for the organisation

One of the most obvious benefits for a spa is increased revenue. It is widely accepted within the spa industry that retail sales should contribute at least 20% towards a spa's overall revenue. Figures of around 20 to 25% are often cited as achievable, but in reality for many spas are aspirational, as a large proportion achieve retail sales of well below these figures. A principal benefit of achieving good retail sales is that they provide a greater contribution towards the spa's overall profitability than many spa treatments, as margins are higher. Fundamentally, retail success plays a significant role in a spa's financial sustainability, therefore, adding retail areas or increasing the focus on retail, are fairly simple but effective ways of increasing revenue for spas (Johnson and Redman, 2005).

A proactive approach to sales also benefits the organisation in respect of increasing its reputation for professionalism and customer care, by offering the guest additional services such as the purchase of retail products (Wuttle and Cohen, 2008); and through recommendations of additional or more luxurious treatments or experiences, via up-selling and link selling, the guest experience is personalised. Furthermore, retail extends the guest journey and the benefits of treatments beyond the physical environment of the spa.

■ Benefits for spa professionals

Spa professionals can benefit from selling in a number of ways. Depending on the practices operated within their organisation, these may include increased salary

and/or other rewards and recognition schemes; furthermore, enhanced employability is a supplementary benefit.

Commission is the most commonly used incentive within spas (ISPA, 2013). Commission is a financial incentive, whereby staff earn a percentage of the price of the products they sell. Commission rates can vary but are largely of between 10% and 20% (ISPA, 2013), thus providing the potential to significantly increase a spa professional's salary. Other rewards for retail success include free or discounted products, gifts, holidays and training; furthermore, recognition schemes and awards such as 'retailer of the month' reward excellence in retail sales.

Spa professionals who are confident sales people and can demonstrate a successful record in sales are also highly sought after within the industry. Retail is an area often highlighted when skills gaps within the spa and associated industries are discussed. The Global Spa and Wellness Summit (2012) highlighted sales and retail as being top training priorities for spa directors and managers. Furthermore, the UK-based Hair and Beauty Industry Authority (HABIA) reported in its most recent survey of skills within the spa industry that 70% of spas reported the ability to increase retail sales as a skills gap (HABIA, 2006). As this is an area which some spa professionals find challenging, anyone who excels in sales significantly increases their employability.

■ Benefits for spa guests

Spa guests also benefit in a number of ways from visiting a spa with a successful approach to sales, as they are provided with an additional service (Wuttle and Cohen, 2008). Those who visit spas with specific skin or body care aims will find the provision of product recommendations essential in addressing their concerns. The retail products they take away with them provide solutions to their concerns, moreover, extending and enhancing the benefits of any treatment they have received. The provision of this service by knowledgeable specialists gives a more personal and powerful introduction to products, which greatly exceeds that of alternatives such as the department store counter (Polla, 2014). Furthermore, the guest can experience a more personalised service via the recommendation of alternative treatments and experiences, based on their original choices through up-selling and link selling practices.

■ Barriers

Spas face a number of barriers to sales which can be both practical and psychological. *Professional Spa and Wellness* (2013) note retail particularly is a challenging area to navigate, however, being aware of those challenges and having strategies to address them can go a long way to helping spa retail thrive.